



December 13, 2006

SUBJECT Goals for Onizuka Transition to Civilian Use (Information Only)

REPORT IN BRIEF

In April 2006 the Department of Defense (DOD) named the City of Sunnyvale as the Local Redevelopment Authority (LRA) – the lead agency for planning the redevelopment of Onizuka Air Force Station (Onizuka or “the site”) and creating the Onizuka Redevelopment Plan (the Plan) to guide Onizuka closure, transfer and reuse. This process is guided by the DOD Base Realignment and Closure (BRAC) regulations. This report addresses two core sets of local assumptions which will guide the Plan for conversion to civilian use: 1) established City development policy and goals for the area; and, 2) new goals that respond to the unique, site-specific characteristics or opportunities.

The CAC should evaluate and critique these goals and/or identify, evaluate and tentatively rank new goals for consideration. In the process of providing input to the Plan, the CAC should consider the influence of both established and new policy objectives on the reuse of the site. Future reports will address the Federal disposition or property conveyance options to achieve these goals.

This report is informational only and has three purposes: 1) Familiarize the CAC with the City’s existing policy, including the Moffett Park Specific Plan and other guiding principles that will shape the Onizuka Plan unless amended by new goals (see Attachment “A,” “Existing Guidance from the General Plan”); 2) Introduce new site-specific goals for the CAC’s consideration and evaluation; and 3) Elicit CAC discussion for other values, policies, goals or objectives that might be appropriate to include in the Plan. There is no staff recommendation at this time, but the CAC discussion will provide assistance to staff in formulating future Plan recommendations.

BACKGROUND

The Onizuka site consists of approximately 20 acres of land and three acres of easement and is slated for closure with its military mission transferred to Vandenberg Air Force Base in Lompoc, Santa Barbara County. Base Realignment and Closure (BRAC) statutes require DOD to complete the closure

and realignment process by September 15, 2011, but DOD may complete the process sooner.

The Onizuka site is one of the largest publicly-owned parcels in the South Bay and is uniquely situated adjacent to Highway 101 at the Mathilda entryway into Sunnyvale. The signature “Blue Cube” building and satellite dishes are well known visual landmarks for both Onizuka and Sunnyvale. The base has an honorable service history tied to space-age technology, to winning the “Cold War,” and to the economic growth of Silicon Valley. The land’s current public ownership offers a rare opportunity to explore ways to enhance its public benefit for future generations.

As a consequence, community values may emerge during the planning process that are unique to the site, its problems, and to opportunities not addressed by current City land use policy. The Plan will need to balance and integrate community values, goals and objectives.

DOD’s April 6, 2006 recognition of the Sunnyvale City Council as the Local Redevelopment Authority (or LRA) delegated critical authority and responsibilities to the City Council to address these issues:

- Facilitating community decision-making participation by establishing a Citizen’s Advisory Committee (CAC) to represent diverse stakeholders.
- Preparing and submitting related funding applications.
- Supporting regulatory agencies responsible for environmental assessments and remediation.
- Evaluating and balancing Sunnyvale’s homeless needs with other community development objectives during the reuse planning process.
- Preparing for the site’s transition to civilian use via the Onizuka Plan.
- Negotiating the final Plan for disposition of Onizuka AFS with the U.S. Air Force.

In fulfilling these responsibilities, the City may rely upon well established consensus of community values that are already explicit and integrated into the *City of Sunnyvale Policy Framework*. Among the elements of this framework are the *City Charter*, *Municipal Code*, *General Plan*, and *Council Policy*. The most relevant, recent, and detailed of these policies is the **Moffett Park Specific Plan** (MPSP) adopted in April of 2004 after a three year planning process involving property and business owners, and other community stakeholders.

Throughout this report it is important to recognize that Onizuka is a Federal site which is currently exempt from State and local ordinances and regulations. The site is included within the geographic boundaries of Sunnyvale's Moffett Park Specific Plan and, upon conversion to private ownership the MPSP, local ordinances and regulations will control future development of the site. The MPSP was an amendment to the General Plan; the Onizuka Redevelopment Plan may need an amendment to the MPSP.

EXISTING POLICY:

This section of the report identifies the range of existing City policy applicable to the Onizuka Plan. At the highest level of the range are the governing policies that underpin City involvement in the Onizuka AFS:

➤ Legislative Management Sub-Element

Goal 7.3C: Participate in intergovernmental activities, including national, state and regional groups, as a means to represent the City's interests, influence policy and legislation, and enhance awareness.

The next existing level of governing policies provides a foundation for the City's General Plan. Many of these policies have been listed within Attachment A, "Existing Guidance from the General Plan."

The following Discussion reviews the range of existing policies in the Moffett Park Specific Plan (MPSP). The section then introduces possible new policies unique to the Onizuka site.

DISCUSSION

Onizuka is a surplus Federal property governed by complex Federal planning and disposition procedures. These regulations and this responsibility create a complexity for the City/LRA not comparable to other sites. BRAC Implementation Regulations require that the LRA address a variety of local values and policies in the selection of land use alternatives in order to achieve community consensus and a successful reuse project. The achievement of these values may ultimately require local determination and supervision of the development team, and the developer's accountability for local values, development schedules, etc. The selected objectives may affect the desired method of disposition and the method of disposition will determine the role of the City in ongoing implementation and stewardship.

The following are key factors that are unique to the Onizuka site and will influence its planning, disposition and development.

1. TIMELINE: Under BRAC guidelines, the Onizuka closure and realignment must be completed by September 15, 2011. The more that the pre-development process can address environmental issues, facilitate a Veterans Affairs (VA) transition, access resources and resolve outstanding obstacles, the more attractive the site will become for developer competition.

2. VETERAN AFFAIRS (VA) SITE INTEREST: Under the BRAC process, the Department of Veteran's Affairs notified DOD that it is seeking part of the site due to VA staff growth, current space deficiency, and looming demolition of seismically unsafe buildings. The DOD granted the VA's request for "Buildings 1002, 1018, and 1034 or 56,965 s.f. and associated land (2 acres)."

The VA involvement may be the most significant external factor influencing Onizuka's planning process, its disposition process, and its development. VA occupancy of the Onizuka site creates some practical problems for the remaining site that affect the highest and best use, and compromise fair market value of the remaining site. First it preserves three buildings which restrict future development configurations on the site. Their age, condition, location, code deficiencies, and the proximity of buildings and infrastructure create complications. To optimally subdivide, clear and develop the site, the City and VA need to resolve these issues and other schedule and cost issues. Second, the resolution of these issues may influence the development intensity or the allowable Floor Area Ratio (FAR) on the remainder of the site.

During pre-development planning, the City will explore any needed infrastructure improvements, establish the appropriate development intensity, and initiate cooperative public/private strategies to resolve any issues. City staff has already met with VA staff to propose exploring a number of options in lieu of VA's current plans. The VA staff re-confirmed their intent to acquire and occupy the existing headquarters offices, but also expressed their flexibility in exploring or considering City options permitted under Federal regulation: a trade for alternative facilities on-site, or at other sites. Additionally, City staff will hold future meetings with VA to identify City development standards and to explore the VA's voluntary compliance with those standards. Staff will review a variety of approaches at a January study session with the LRA.

3. ENVIRONMENTAL ANALYSIS: The Department of Defense is currently preparing the Environmental Base Line Survey, Environmental Conditions of Property, and Environmental Assessment Reports to comply with DOD's National Environmental Policy Act (NEPA) requirements for property disposition. The reports are scheduled for completion after the LRA's adoption of conceptual reuse alternatives. The Air Force Real Property Agency has indicated that preliminary reports do not reveal serious environmental obstacles to any

options but Staff will monitor the analysis while preparing its conceptual options.

4. BALANCING HOMELESS AND OTHER NEEDS: The Base Realignment and Closure (BRAC) process requires all LRAs in preparing a plan, to balance homeless needs with economic and redevelopment needs.

The Onizuka LRA has taken several steps to ensure balance among homeless and other needs, including: reviewing the City's Consolidated Plan 2005-2010 on identified homeless needs; surveying and consulting with homeless service providers to identify needs and gaps in service; and identifying homeless service providers' interest in the Onizuka property through the NOI process.

On December 5, 2006 homeless services providers submitted two Notices of Interest in the Onizuka site. Staff will review and evaluate them for presentation to the CAC and LRA early next year. The LRA has 270 days from December 5, 2006 to develop the redevelopment plan and a homeless assistance submission explaining how the LRA proposes to address the needs of the homeless.

The factors included in the discussion above, together with the Existing Policy included below, will provide a framework for the Guiding Principles and Objectives that follow.

SPECIFIC PLAN POLICY FRAMEWORK

The 2004 Moffett Park Specific Plan provides a legal framework of existing policy that addresses land use and development standards within the Onizuka area and is easily extended to the Onizuka site. The framework is organized into three core elements which are presented here for the purpose of providing an organizing framework for the discussion. Where appropriate the MPSP narrative is adapted for application to Onizuka:

Planning Factors: Planning factors include the real estate, market, environmental, development, and community conditions which influence the Moffett Park area *and* the Onizuka site. The report also identifies new, site-specific factors that emerge from the site's unique history, ownership, size, topography, etc.

Guiding Principles: The "guiding principles" are the existing policies or broad goals that predated the MPSP or are proposed for CAC/LRA consideration in guiding the Onizuka site-specific planning.

Reuse Plan Objectives: The Plan will provide more explicit policy objectives or goals that consider the planning factors while responding to both existing and proposed principles.

PLANNING FACTORS

This section paraphrases the most relevant planning factors that formed the foundation of policies in the Moffett Park Specific Plan. Italics reflect Staff discussion of other background factors that will influence the Plan.

1. Dated Building Stock. No buildings on *the site* provide the modern specialized spaces required for today's modern industries, corporate offices or research space. *This factor suggests that the sites reuse at highest and best use will not occur within the existing structures but will require building demolition and site clearance.*

2. STRATEGIC LOCATION: Moffett Park and Onizuka AFS are strategically located within the San Francisco Bay Area in the heart of Silicon Valley. They are at the center of an area with strong demand for corporate office and research space. The site is uniquely well served by regional roadway connections that separate and buffer the site from other potentially inharmonious land uses. *This may suggest that the site's "highest and best use" within the regional market is a use or user seeking high visibility and access such as corporate headquarters offices, business-serving uses, or hotels.*

3. DEVELOPMENT INTENSITY: When the MPSP was adopted in 2004 the Onizuka site was designated and zoned Moffett Park Industrial (MP-I). The Moffett Park zoning districts regulate the development intensity through Floor Area Ratio (a ratio of building area to site area) or FAR. MP-I is allowed up to 35% FAR. Although some MP-I sites are eligible for up to 50% FAR the Onizuka and other military sites in Moffett Park are not. For other sites in the MP-1 district, in order to obtain a higher FAR, a new project must achieve specific sustainability and design standards or must obtain approval of a "Special Development Permit." Applications for City land use permits reflect demand for higher intensity Class A office space.

4. INFRASTRUCTURE: The demand for higher intensity uses will impact the infrastructure system in the project area. *Infrastructure includes the transportation, water, wastewater, and stormwater collection systems. The Moffett Park Specific Plan area was planned maximizing the amount of development within the planned roadway/transportation system.*

The four planning factors above are conditions of the development milieu that influenced the Moffett Park Specific Plan process, and are testimony to the integrity of the MPSP in that they remain as valid today for the Onizuka Plan. The factors both underpin the adopted “Guiding Principles” of the Moffett Park Specific Plan below *and* form the core agenda for the City’s future discussions with the VA and DoD.

➤ **Guiding Principles from the Moffett Park Specific Plan**

The Guiding Principles included in the Moffett Park Specific Plan (1-6 below) are intended to provide an existing foundation for analysis of future development proposals and design concepts such as the Onizuka Plan. (Note: Any narrative adapting these principles to Onizuka is written in italics.)

1. Positively influence the Sunnyvale business climate and enhance economic vitality by providing comprehensive land use policies and permitting processes that encourage development of additional needed Class A office space to diversify the industrial base of Sunnyvale.
2. Encourage and support emerging industries.
3. Foster cooperative partnerships with businesses, property owners, *government agencies* and the City of Sunnyvale.
4. Provide opportunity for strategic retention and attraction of business and private investment. Discussion: *The Onizuka site provides a large, visible site that is uniquely located for the purposes of strategic initiatives.*
5. Focus areas of higher intensity development in areas adjacent to public transportation facilities. Discussion: *The Onizuka site is close to light rail stations and bus stops, which enables higher intensity development under City zoning and permitting procedures.*
6. Preserve Moffett Park for Industrial Uses into the future and prevent erosion of its industrial base to non-compatible uses.

These Guiding Principles represent adopted City policy. However, they do not foreclose the CAC’s formulation or recommendation of new policy specifically for Onizuka. The Draft Guiding Principles below provide conceptual possibilities to help in the CAC’s consideration of new policy.

PROPOSED NEW GOALS (aka “Guiding Principles”)

There are also unique, site-specific factors which could influence future uses of the Onizuka site. Among these factors are site size, building layout, location, visibility, historic mission, Federal ownership, and regulatory requirements that grant special consideration to homeless service providers and to the Department of Veteran Affairs claims on the property. We have described above the DoD’s grant to the VA of a “purchase option” on existing office and storage facilities. The proposed new goals below address conceptual land use options for the entire parcel. They also propose tentative steps in a strategic initiative to identify “win-win” solutions to the critical impact of the DOD’s action. Hence, the possible new goals identified below consider a tentative order of priority for reuse goals, and also include consideration of a strategic initiative to resolve VA-related impacts. These are:

1. Partner with VA to pursue disposition and development options that facilitate VA goals to acquire and develop office space on-site or at other more suitable locations, consistent with highest and best use.

AND/OR

2. Secure VA’s voluntary compliance with the highest standards of local zoning, building, infrastructure and development, and procedural goals.

3. Seek development options which maximize “highest and best use” and the highest fair market value.

4. Seek development options which support existing businesses by providing needed services, facilities and infrastructure.

5. Select disposition and reuse options which maximize city authority to control disposition and ensure a capable, accountable and desirable ownership/development team for immediate development.

6. Seek disposition and development options which minimize City predevelopment costs, or in lieu thereof which maximize City return on its expenditures.

7. Select planning, disposition and development options which ensure maximum long term revenues to the City.

- 8.** Seek disposition and development which will appropriately recognize the historic role of the Onizuka mission and achievements in space and in the Cold War, and its seminal impact on the Silicon Valley economy.
- 9.** Seek development options which leverage Federal participation in site improvements to ensure the highest development standards, highest and best use, fair market value, and public benefit.
- 10.** Seek OEA predevelopment funding and select planning, disposition and development options which resolve environmental and development issues to accommodate the VA.
- 11.** Seek alternatives which create maximum employment, training, and other direct benefits for Sunnyvale residents.
- 12.** Seek disposition and development which creates a highly visible and widely recognized “landmark class” facility design – identified with Sunnyvale, with an important City entryway, with Onizuka AFS and/or Silicon Valley.

In summary, this informational report seeks to demonstrate the application of existing City-adopted policy that guides land use planning in Sunnyvale, in Moffett Park and on the Onizuka site. The recitation of existing policy is not intended to preclude CAC modification of City policy or any formulation of new policy. The Citizen’s Advisory Committee (CAC) is the primary venue of public contact for the BRAC process, and the City welcomes CAC feedback and ideas for possible inclusion in Conceptual Reuse Alternatives.

Staff will return to the CAC at your meeting in January 25 with a report that considers your recommendations in our review of any Preliminary Conditions of Property and the Notices of Intent that we receive. On February 22 the CAC will reconvene and staff will provide the CAC with the draft Report to Council on the Conceptual Reuse Alternatives.

Upon Council adoption of the Conceptual Reuse Alternatives the City will complete Phase 1. Staff expects to seek an augmentation of predevelopment funding from the DoD’s Office of Economic Adjustment in early 2007. These resources will provide analysis of the problems, costs, resources and strategies to resolve the outstanding issues, refine the conceptual options, and adopt an agreed upon reuse concept.

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ATTACHMENTS:

A: Existing Guidance from the General Plan

cc: Onizuka LRA

EXISTING GUIDANCE FROM THE GENERAL PLAN

➤ **Land Use and Transportation Element**

Goal C1: Preserve and enhance an attractive community with a positive image and a sense of place that consists of distinctive neighborhoods, pockets of interest, and human scale development.

Goal C3: Attain a transportation system that is effective, safe, pleasant, and convenient.

Policy C4.2 Balance land use and transportation system carrying capacity necessary to support a vital and robust local economy.

Policy C4.2.1 Permit industrial FARs up to 35% (and allow warehouse FARs up to 50%) and permit higher FARs in the Futures intensification areas.

Goal N1 Preserve and enhance the quality character of Sunnyvale's industrial, commercial and residential neighborhoods by promoting land use patterns and related transportation opportunities that are supportive of the neighborhood concept.

Policy N1.1 Protect the integrity of the City's neighborhoods, whether residential industrial or commercial.

Policy N1.1.1 Limit the intrusion of incompatible uses and inappropriate development into city neighborhoods.

Policy N1.1.4 Anticipate and avoid whenever practical the incompatibility that can arise between dissimilar uses.

Industrial/Research and Development

Policy N1.6 Safeguard industry's ability to operate effectively by limiting the establishment of incompatible uses in industrial areas.

Policy N1.7 Support the location of convenient retail and commercial services (e.g., restaurants and hotels) in industrial areas to support businesses, their customers and their employees.

Policy N1.8 Cluster high intensity industrial uses in areas with easy access to transportation corridors.

Policy N1.8.1 Require high quality site, landscaping and building design for higher intensity industrial development.

➤ **General Plan: Housing and Community Rehabilitation Element
Community Design Sub-element
City Image**

Goal 2.5A Promote Sunnyvale's image by maintaining enhancing and creating physical features which distinguish Sunnyvale from surrounding communities by preserving historic buildings, special districts and residential neighborhoods which make the city unique.

Goal 2.5C Ensure that buildings and related site improvements for private development are well designed and compatible with surrounding properties and districts.

Policy 2.5C.1 Place a priority on quality architecture and site design which will enhance the image of Sunnyvale and create a vital and attractive environment for businesses residents and visitors, and be reasonably balanced with the need for economic development to assure Sunnyvale's economic prosperity.

Policy 2.5C.1c Continue to ensure that projects have amenities which make them attractive and that these features are not sacrificed to maximize development potential.

Policy 2.5C.2 Review site plans to ensure the design is compatible with the natural and surrounding built environment.

Policy 2.C.4 Encourage quality architectural design which improves the City's identity inspires creativity and heightens individual as well as cultural identity.

➤ **Fiscal Management Sub-Element**

Goal 7.1.A Revenue: Maintain and enhance the city's revenue base.

Policy 7.1A.1 Revenue base: Maintain a diversified and stable revenue base for the City.

Policy 7.1A.1a. Encourage a diversified and stable local economy.

Policy 7.1A.1h. Maintain a diversified revenue base not overly dependent on any land use or external funding source.

➤ **Socio-Economic Sub-Element.**

Goal 5.1B Maintain and establish policies that promote a strong economy which provides economic opportunities for all Sunnyvale residents within existing environmental, social, fiscal and land use constraints.

Policy 5.1B.1 Provide existing employers with opportunities to expand employment within land use constraints and in accordance with regional planning goals.

Goal 5.1.C Endeavor to maintain a balanced economic base that can resist downturns of any one economic sector.

Policy 5.1C.4 Promote business opportunities and business retention in Sunnyvale.

Policy 5.1C.5 support land use policies that provide a diversified mix of commercial/industrial development.